

**Senate File 2301 - Reprinted**

SENATE FILE 2301

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2100)

(As Amended and Passed by the Senate March 17, 2016)

**A BILL FOR**

1 An Act relating to the Iowa educational savings plan trust  
2 and including effective date and retroactive applicability  
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 12D.1, subsection 2, paragraphs e and g,  
2 Code 2016, are amended by striking the paragraphs and inserting  
3 in lieu thereof the following:

4 *e. "Higher education costs"* means the same as "qualified  
5 higher education expenses" as defined in section 529(e)(3) of  
6 the Internal Revenue Code.

7 *g. "Internal Revenue Code"* means the same as defined in  
8 section 12I.1.

9 Sec. 2. Section 12D.1, subsection 2, paragraph i, Code 2016,  
10 is amended to read as follows:

11 *i. "Participant"* means an individual, individual's legal  
12 representative, trust, ~~or~~ estate, or an organization described  
13 in section 501(c)(3) of the Internal Revenue Code and exempt  
14 from taxation under section 501(a) of the Internal Revenue  
15 Code, that has entered into a participation agreement under  
16 this chapter for the advance payment of higher education costs  
17 on behalf of a beneficiary.

18 Sec. 3. Section 422.9, subsection 2, Code 2016, is amended  
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *j.* Subtract charitable contributions under  
21 section 170 of the Internal Revenue Code to the extent such  
22 contribution was made to an organization for the purpose of  
23 deposit in the Iowa education savings plan trust established in  
24 chapter 12D, and the taxpayer designated that any part of the  
25 contribution be used for the direct benefit of any dependent  
26 of the taxpayer or any other single beneficiary designated by  
27 the taxpayer.

28 Sec. 4. Section 422.35, Code 2016, is amended by adding the  
29 following new subsection:

30 NEW SUBSECTION. 13. Add, to the extent it reduced federal  
31 taxable income, any amount contributed under section 170 of  
32 the Internal Revenue Code to the extent such contribution was  
33 made to an organization for the purpose of deposit in the Iowa  
34 education savings plan trust established in chapter 12D, and  
35 the taxpayer designated that any part of the contribution be

1 used for the direct benefit of any dependent of a shareholder  
2 of the taxpayer or any other single beneficiary designated by  
3 the taxpayer.

4     Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
5 immediate importance, takes effect upon enactment.

6     Sec. 6. RETROACTIVE APPLICABILITY. The following provision  
7 or provisions of this Act apply retroactively to January 1,  
8 2016, for tax years beginning on or after that date:

- 9     1. The section of this Act amending section 422.9.  
10    2. The section of this Act amending section 422.35.